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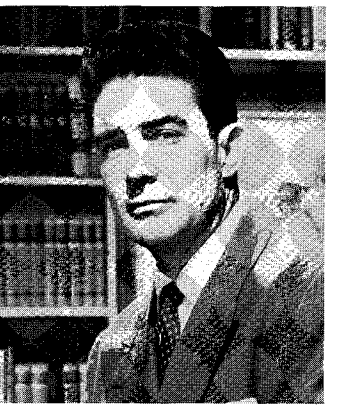

DAN SMOOT

POLITICAL SURRENDER

Here is a news brief from *The Dallas Morning News*, January 16, 1962:

"After a final round of conferences, the United States and the Common Market are expected to initial . . . an agreement to cut tariffs on many industrial goods. . . .

"Some hitches may develop, but the . . . prospects are good that the first step will be taken toward what President Kennedy hopes eventually will be a meshing of the two economies to head off a trade war that might shake the Atlantic Community.

"Informants said the agreement would provide for tariff cuts of as much as 20 per cent on some items."

Atlantic Community means, generally, a group of 20 nations which belong to the "Western alliance": Austria, Belgium, Canada, Denmark, England, France, West Germany, Greece, Iceland, Ireland, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, and the United States of America.

In agreeing to a 20% reduction of tariffs, United States officials were acting under authority of the 1958 extension of the 1934 Trade Agreements Act. When the Trade Agreements Act was extended in 1958 (for four years: to June 30, 1962), Congress authorized the President to reduce, by specified percentages, American tariffs on certain items. The reductions promised at the Brussels conference in January, 1962, exhausted the President's authority to reduce tariffs, under the 1934 Act as amended and extended in 1958.

The President, while using the last bit of authority under the 1958 law, was asking Congress to let that law expire in June, 1962, and to replace it with a trade-and-tariff law giving the President broader powers over American trade and commerce than the old law ever granted.

The *trade war* mentioned in the January 16, 1962, news story from Brussels, refers to a division of the "Atlantic Community" into two hostile parts, each one struggling to

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capture for itself the markets of the world: the United States is one part; the other part is composed of European nations who now belong to, or may in the future belong to, the European Common Market.

The *meshing of the two economies* means economic union of the United States with the European nations—which must, inevitably, be accompanied by *political* and *military* union: that is, Atlantic Union or partial World Government.

As pointed out in the December 11, 1961, issue of this *Report*—entitled "Strategic Surrender"—the United States government has a plan to surrender control of American military power to international authority. Such surrender would make it impossible for the United States to defend herself militarily as an independent nation.

As pointed out in the first three issues of this *Report* for 1962 (Economic Surrender—Parts I, II and III) the Kennedy Administration (like the Truman and Eisenhower Administrations before it) is driving hard toward amalgamation of the economy of the United States with that of other nations, making us dependent on foreign sources of supply for vital commodities, and subject to economic decisions by international agencies, until the United States cannot maintain herself economically as an independent nation.

The long-range objective of these programs of military surrender and economic surrender is *political surrender*. When the people of America find that they can no longer defend their nation without the co-operation of foreigners and the permission of international authority; and find that their economic activity is dependent on international agencies and foreign decisions — then Americans will be forced to abandon the freedom and independence which their forefathers fought to establish and will have to accept, for their nation, membership, as a dependent province, in a World Government. History will then have been reversed; and Americans will be less free, and more completely subject to foreign control, than before the Revolution when America was a group of colonies dependent on England.

European Common Market

European Common Market (a key phrase in the January 16, 1962, news story from Brussels about the new tariff agreements) requires some historical explanation.

On June 7, 1947, in a commencement speech at Harvard, George C. Marshall, then Secretary of State, proposed the Marshall Plan — a program of American economic aid to European nations.

A first objective of the Marshall Plan was to create a United States of Europe—a union of European states.

This objective—of creating a united Europe—seemed good to Americans. If the political divisions and national rivalries of Europe had caused most of the major wars during the past 1000 years, would it not be a fine thing to unify Europe and thus eliminate these sources of war? The American people thought so. They generally supported the announced primary objective of the Marshall Plan — since there was no national leadership to remind them that, however desirable the unity of Europe may be, the American government was violating traditional American policies and constitutional principles and taking the road toward disaster, by involving itself permanently in the political turmoil of the old world.

The American people were told that the Marshall Plan was a temporary program; hence, the people, generally, did not greatly mind paying taxes to finance the plan for two years—since there was no national leadership to remind them that, however attractive the announced objectives may be or however low the cost, the American government was violating the Constitution in taking money away from Americans for aid to foreigners.

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"Sold" to the people of America, as a temporary program which would cost little and do much good, the Marshall Plan grew in size and scope under a variety of labels (such as "collective security," "mutual assistance," "mutual defense," "international economic cooperation," and so on) until it became a fixed feature of American policy.

Actually, neither George C. Marshall, nor any of the communists (men like Alger Hiss and Harry Dexter White, still in positions of power and influence in 1947) who really devised Marshall's foreign-aid scheme, nor any of the internationalists who ran the Council on Foreign Relations and thus controlled the government of the United States — ever intended the foreign-aid program to be temporary.

American foreign-aid was designed as a long-range program, because it was intended to serve an end which few Americans anticipated at the beginning. The announced objective of American policy—creating a unified Europe—was merely a first step. The ultimate, real objective was to use American money to build a European union of such power that it would overshadow the American union—replace America as the industrial and trading center of the world; replace America as the strongest and most prosperous area on earth; and thus place Americans in the position of asking for membership in the European union —the argument being that if we cannot compete with it, we had better join it.

Thus, George C. Marshall's speech at Harvard on June 7, 1947, proposing the Marshall Plan, was the official beginning of a long-range, three-pronged program of American surrender (military, economic, and political) to international authority.

On April 16, 1948, fourteen (later, seventeen) Western European nations formed the Organization for European Economic Cooperation (OEEC). The purpose of OEEC was to manage the distribution of American aid to European nations. The United States was not a *member* of OEEC, but an *associate*: that is, the United States did the giving; European nations did the receiving and the managing.

On May 9, 1950, Robert Schuman (Premier of France) proposed that France and Germany pool their two basic industries, coal and steel, under a common supra-national institution open to any other non-communist European countries willing to give up enough of their own national sovereignty to join.

The Schuman Plan became a reality on April 18, 1951, when representatives of six European nations, meeting at Paris, signed a Treaty creating the European Coal and Steel Community. These six nations (later to be known as The Six, or The Inner Six) were Belgium, France, Holland, Italy, Luxembourg, and West Germany.

When the European Coal and Steel Community (the Schuman Plan) went into operation in 1951, there was a shortage of both steel and coal in Europe. The six nations that formed this community constituted the biggest foreign market for American coal and steel. The total trade in steel among the six European nations was less than 2 million tons a year; and they exported no steel to the outside world.

The six nations adopted a common policy of favoring coal and steel produced within their own borders and discriminating against coal and steel imported from elsewhere—that is, from the United States. Despite this discrimination against American products, the American government enthusiastically supported the Coal and Steel Community, giving massive quantities of aid to all six nations in the community, to help them build their coal and steel industries.

In less than ten years, the six European nations in the Coal and Steel Community (which had been America's biggest market for coal and steel and had given American producers no competition for other markets) were producing more coal and steel than they could use and were exporting more than 11 million

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tons of steel to foreign markets formerly supplied by American producers.

The Coal and Steel Community Treaty of 1951 established a common, tariff-free market, for the six member nations, in coal and steel. On May 29, 1956, foreign ministers of the six European Community nations announced their intention to create a *full* common market for the six.

On March 25, 1957, leaders of the six European nations, meeting at Rome, signed two treaties, one called the Treaty of Rome, the other called the Euratom Treaty. The Treaty of Rome created the European Economic Community, generally known as the European Common Market; the Euratom Treaty created the European Atomic Energy Community.

The Treaty of Rome requires the member nations to eliminate (by 10% a year for ten years) all tariffs and other trade obstructions among themselves, and to accept a common tariff to protect their own six-nation market against imports from other nations. The common tariff is established (and controlled) not by the individual member nations or by their representatives meeting in conference — but by a supra-national authority created by the six nations. The Treaty of Rome also provides for the eventual free movement, among the member nations, of workers, services, and capital. It anticipates common agricultural, anti-trust, and transport policies; creation of a 'social fund' to improve the lot of workers; and an investment bank to aid Western Europe's economic expansion and to aid businesses hurt initially by tariff reductions.

The Euratom Treaty committed the six European nations to pool their atomic energy resources and to adopt a common atomic energy policy. The treaty provided for a supra-national authority to establish atomic energy research centers and to build energy-producing atomic plants throughout the common market countries.

The three European "communities" representing the six major nations of western Europe —the European Coal and Steel Community formed in 1951; the European Economic Community formed in 1957; and the European Atomic Energy Community formed in 1957 —created a supra-national governmental arrangement to control the over-all policies of the member nations.

Thus, ten years after George C. Marshall's announcement of the Marshall Plan, the first objective of that plan—a union of European nations—was almost accomplished.

United States Aid

On January 1, 1958, the European Economic Community and the European Atomic Energy Community began formal operations.

On March 13, 1958, the United States government established diplomatic relations with the three European Communities as a political unit. Thus, the Common Market bloc of nations became "eligible" for United States aid, in addition to the aid we were giving individually to the six nations composing the bloc.

The Eisenhower Administration waited until late summer of 1958—when the 85th Congress was pushing for adjournment so that Representatives and Senators could go home to campaign in the elections of that year—before requesting a special aid program to the European Common Market bloc. President Eisenhower asked Congress for the Euratom Act of 1958, authorizing the United States to provide European nations with enough enriched uranium to last for twenty years, to provide them with plutonium, and to help finance atomic power plants and atomic research centers throughout the European Community. Although there was some grumbling in Congress that Eisenhower had proposed the Euratom Act so late in the session that Congress could not adequately study it, Congress passed the Euratom Act of 1958, committing the United States to give $328,000,000 in aid to the European Atomic Energy Community —unanimously in the House of Representatives, and with only one dissenting vote (that

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of Senator Henry Dworshak of Idaho) in the Senate.

The argument which overcame Congressional opposition to the Euratom Act of 1958 was that our helping to build a great atomic energy industry in Europe would provide rich markets for American manufacturers of atomic energy equipment—and that the experience of helping build atomic-power plants in Europe would enrich the experience of our own scientists and technicians.

Eighteen months after the Euratom Act of 1958 was signed into law, its principal American supporters conceded that it had failed to provide the benefits to Americans which they had promised: the Common Market nations of Europe were producing a surplus of conventional fuels and had not, therefore, used our aid to build nuclear power plants—the purpose for which it was granted.

As the European Common Market developed, trade within the bloc increased; and the Common Market became increasingly jealous of competition from the outside.

Although financial aid from the United States was one of the primary causes of the spectacular growth of the Common Market, it was American goods which the Common Market's external tariff was designed primarily to exclude. For example, at the beginning of the common tariff policy set by the six European Community nations, the tariff against American-made cars was 24%. The United States tariff on cars made in the European nations was only 8%. The European cars began to capture American world markets and to make heavy penetrations into the American market.

But the United States government, obsessed with the notion that we must, at all costs, create a unified Europe, continued to support the Common Market and to subsidize the nations whose tariffs discriminated against American goods, and whose industries were capturing American markets.

Because of the high costs of doing business in America, because of the high European tariffs against American goods, because of the low American tariffs against European goods, and because of the tax advantages which the American government gave to Americans who invested in Europe rather than in America, many American industrialists found that they could not compete, anywhere in the world, with the European industries which they were being taxed to subsidize. So, the flight of American industry to Europe began.

American industrialists, closing down or curtailing their American operations, began to invest and build in Europe. By the end of 1959, American industrialists had invested 1 billion, 760 million dollars in the six Common Market nations of Europe; and the trend was rising sharply.

Sixes and Sevens

The increased production and the protectionism of the European Common Market hurt British industries in the same way that they hurt American: the European nations were buying from each other what they formerly had bought from England, and they were exporting goods to England's other foreign customers.

Whereas America eagerly supported, and used tax money to subsidize, the European bloc that was hurting America, the English tried to protect themselves against the European Common Market. England organized a rival economic grouping of European nations, known as the European Free Trade Association (EFTA), composed of seven nations: Austria, Denmark, England, Norway, Portugal, Sweden, and Switzerland. The EFTA nations were known as the "Outer Seven." The European Common Market was called the "Inner Six" — the "outer" and "inner" referring to geographical positions of the two groupings of nations.

The EFTA plan called for member nations to lower tariffs among themselves, but permitted each member nation to set its own tariff-and-trade policy with outside nations.

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For two or three years after England set up the European Free Trade Association, there was intense rivalry between the two groupings of our European 'allies.'

As late as April, 1960, it appeared that the rivalry between the Inner Six and the Outer Seven might degenerate into a bitter and prolonged trade war; but, by mid-summer, 1960, it was evident that the Inner Six was the dominant force and that England's Outer Seven arrangement was a failure.

On June 2, 1960, the British Minister for Foreign Affairs, attending a gathering of European nations in Paris, mentioned the possibility of England's joining the European Atomic Energy Community and the European Coal and Steel Community.

This created rumor that England, realizing her European Free Trade Association scheme had failed, was moving toward a request for membership in the Common Market. British officialdom hotly denied that any such plan existed.

On July 31, 1961, the British government formally announced intention to apply for full membership in the European Common Market. Greece and Turkey were already "associates" of the Common Market (that is, in the process of becoming full members); and it was evident that most if not all of the other Outer Seven nations would follow England into the Common Market.

In December, 1961, the Japan External Trade Organization filed a 400-page report, revealing that Japan had entered new trade agreements with European nations, in an effort to substitute European trade for American trade, because, "with the emergence of the European Economic Community, the center of the world trade has shifted from the United States to Western Europe."

In his speeches to the AFL-CIO and to the National Association of Manufacturers in December, 1961 (see this *Report,* January 1, 1962, "Economic Surrender—Part I,") and in his State of the Union message on January 11, 1962, President Kennedy referred to the great economic giant growing (at a rate twice the speed of our own economic growth) across the Atlantic in terms which mean that we must either "cooperate" with that giant or be destroyed by it.

Step-by-step, we accomplished the first major objective set by our internationalist planners when our foreign aid programs began. Our government penalized the United States to build a great economic rival which it now uses to frighten us into further sacrifices that will lead to complete loss of our national independence.

'Free Trade' Arguments

Until about mid-1959, our support of European 'unity' and our subsidies to European nations were 'justified' by propaganda which said we had to help our European allies become strong so that they could resist communism.

It was about mid-1959 that the propaganda began to change subtly.

In June, 1959, the Committee for Economic Development (a major interlocking affiliate of the Council on Foreign Relations) released a study on the European Common Market.

The CED study anticipated that as the Common Market succeeds in developing its home market, it may also build high tariff walls to protect that market from outsiders. The CED acknowledged that the growth of such protectionism in the Common Market nations would damage the United States — and recommended that the United States seize the initiative in leading other nations into a new era of more liberal trade and tariff policies.

Since that CED study was released, most of the propaganda about the European Common Market, emanating from American internationalists, emphasizes, openly or subtly, the 'warning' that the European Common Market is becoming so powerful that America must make terms with it.

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By mid-April, 1960, American officialdom was worried by plans, already being made, for a European Common Market price-support program for wheat: the Inner Six European nations were planning a wheat program, very much like our own, which would fix artificially high, subsidized prices for wheat grown in the Common Market nations; and they would then protect this subsidized market for their own wheat growers by erecting prohibitive tariffs against American (and other foreign) wheat.

In December, 1960, a study by the Economic Commission for Europe predicted that the rapid mechanization of farms in Europe would soon create food surpluses in the Common Market nations.

Union Now Arguments

During 1961, most American 'free-trade' propaganda emphasized merely the reduction of tariffs: if we would give the President absolute power to reduce or abolish American tariffs (already lower than European tariffs), perhaps the President could persuade the European Common Market to reduce tariffs against our goods.

Interspersed among the 'free-trade' arguments, however, have been many statements by important officials who baldly reveal the real objective: amalgamation of the United States with the European Common Market to form one political union.

On June 11, 1961, Jean Monnet (President of the Action Committee for the United States of Europe and first President of the High Authority of the European Coal and Steel Community) delivered a commencement address at Dartmouth College. Mr. Monnet said:

"What is necessary is to move toward a true Atlantic Community. . . . The pioneer work has already been undertaken by unification of Europe. . . .

"Britain is gradually coming to the conclusion that it should join the general movement toward European unity and the Common Market. . . .

"The United States is already using . . . the Organization for Economic Cooperation and Development . . . as the vehicle of its increasing awareness of interdependence with Europe. . . .

"We must soon go a good deal further toward an Atlantic Community. . . . I am convinced that ultimately the United States too will delegate powers of effective action to common institutions, even on political questions."

On May 16, 1961, Dr. Walter Hallstein, President of the European Common Market Commission, had a conference in Washington with President Kennedy.

Hallstein and President Kennedy issued a joint communique which said:

"The President and Dr. Hallstein were in full agreement that the European integration movement . . . complements and reinforces

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He served as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side — the side that uses fundamental American principles as a yardstick for measuring all important issues.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report.*

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the progressive development of a true Atlantic Community which will be given new impetus by the coming-into-force of the OECD."

Dr. Ludwig Erhard, Minister of Economics, Federal Republic of Germany, ran a full-page ad in the January 9, 1962, issue of the *New York Times*, saying:

"Political events in 1961 have taught us the lesson that nothing but an 'all embracing' community . . . can secure a life of peace and freedom for the Western World. . . .

"In 1961 two monumental milestones were erected along the road toward an ever-growing economic togetherness of the Western World. . . . The Government of the United Kingdom decided to apply for membership in the European Economic Community. . . . A no less historically significant step is the announcement of the President of the United States of America which holds forth the hope for and the promise of even closer economic cooperation with the European Common Market."

In his State of the Union message, January 11, 1962, President Kennedy said:

"The greatest challenge of all is posed by the growth of the European Common Market. . . . We need a new law . . . a bold new instrument of American trade policy. . . .

"If we move decisively, our factories and farms can increase their sales to their richest, fastest-growing market. . . . If . . . we hang back . . . we will find ourselves cut off from our major allies. Industries . . . will move their plants and jobs and capital inside the walls of the Common Market and jobs therefore will be lost here in the United States. . . ."

With this grim picture in their minds, the members of the Congress of the United States heard the President outline his proposal for a Trade Expansion Program that would give him the power of a Caesar to do anything he likes with American trade and commerce.

The President closed his State of the Union message with a curious sentence in which, like a Caesar, he identified himself with the nation. After indicating that the United States is "ready to seize the burden and the glory of freedom," President Kennedy said:

". . . in this, *I* endeavor."

It is devoutly to be wished that Congress will reject the programs of Caesar which Kennedy is advancing for 1962 — threatening to use executive power to get what he wants, if Congress fails to enact legislation which he requests.

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